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1949 SURVEY OF CONSUMER FINANCES¹
PART IV. Consumer Ownership and Use of Liquid Assets

Aggregate consumer holdings of liquid assets increased slightly during 1948, completing nearly a decade of substantial growth. According to estimates compiled by the Board of Governors from over-all Treasury and banking statistics, total personal holdings of liquid assets (i.e., United States Government bonds and savings and checking accounts but excluding some 20 billion dollars of currency) amounted to approximately 132 billion dollars at the end of 1948, contrasted with an estimated 130 billion a year earlier and with only 45 billion at the beginning of the war period.

¹This is the fourth in a series of articles presenting the results of the Board of Governors' Survey of Consumer Finances in 1949. The first two articles appeared in the June BULLETIN and covered the general financial position and economic outlook of consumers, their durable goods expenditures in 1948, and buying plans for 1949. The third article, in the July BULLETIN, analyzed the distribution of consumer incomes in 1948. A discussion of the technical aspects of the survey and the statistical limitations of its results was provided in the appendix to the first article. Subsequent issues of the BULLETIN will contain articles on consumer ownership of nonliquid assets and consumer saving patterns during 1948.

From the Board of Governors, general supervision of the survey has been under the direction of Woodlief Thomas, Director, and Ralph A. Young, Associate Director, of the Division of Research and Statistics. The Division of Research and Statistics has responsibility for planning the over-all content of the survey, analyzing survey results for the Board's use, and preparing the special articles reporting survey findings that appear in the BULLETIN.

From the University of Michigan, Rensis Likert, Director of the Institute of Social Research, and Angus Campbell, Director of the Survey Research Center, were in general charge of the survey. The Survey Research Center is a division of the Institute for Social Research of the University of Michigan. Responsibility for detailed planning and supervision of the survey, including interviewing, editing, tabulation of survey results, and preparation of Survey Research Center studies was carried by George Katona in collaboration with Janet A. Fisher and James K. Dent of the Survey Research Center's staff. Charles F. Cannell served as head of the field staff and Roe Goodman as head of the sampling section of the Center.

The present article was prepared by Clarke L. Fauver and Irving Schweiger of the Consumer Credit and Finances Section of the Board's Division of Research and Statistics. The authors have necessarily maintained a close working relationship with the staff of the Survey Research Center at all stages of their work, and their analysis of survey tabulations has had the benefit of many suggestions from the Center's staff, particularly George Katona and Janet A. Fisher.

The findings presented in this article provide statistical information based on the 1949 Survey of Consumer Finances regarding distribution of liquid assets among the population in early 1949, purposes for which they were drawn upon during 1948, and, by comparison with previous surveys, changes in liquid asset distribution among various groups of the population. This article is the fourth in a series presenting results of the Board's fourth annual Survey of Consumer Finances, conducted for the Board of Governors of the Federal Reserve System by the Survey Research Center of the University of Michigan.²

As in the case of previous Surveys of Consumer Finances made for the Board, the present survey covered, on a sample basis, the entire population of the United States residing in private households during the January-March interview period. The following groups were omitted: (1) members of the armed forces and civilians living at military reservations; (2) residents in hospitals and in religious, educational, and penal institutions; and (3) the floating population, that is, people living in hotels, large boarding houses, and tourist camps. The interview unit was the consumer spending unit, defined as all persons living in the same dwelling and related by blood, marriage, or adoption who pooled their incomes for their major items of expense.

Before discussing the detailed findings of the survey, it should be noted that the definition of "liquid assets" in this article is an arbitrary one and comparatively narrow in scope. The fact that

²Previous surveys were made for the Board of Governors early in 1948 and 1947 by the Survey Research Center and the results of those surveys were reported in the June, July, and August issues of the BULLETIN for those years. One additional article on the 1948 survey appeared in the September BULLETIN. The first survey was made for the Board of Governors early in 1946 by the Division of Program Surveys, Bureau of Agricultural Economics, U. S. Department of Agriculture. The Survey Research Center staff currently in charge of the survey work was associated with the Division of Program Surveys at the time of the first survey. Results of that survey were reported in the June, July, and August 1946 issues of the BULLETIN under the general title National Survey of Liquid Assets.

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some spending units have been found to lack these specific types of assets cannot be taken to indicate that they are without resources of any kind. Most important is the omission of currency, for practically all spending units would have some holdings in this form. Many spending units have considerable cash values in life insurance policies which can be drawn upon. Further, the equities which many families have in their houses also provide a substantial financial reserve. Other spending units may have their funds invested in common stocks or bonds or other media which could be converted into liquid form if necessary. In summary, then, the following analysis of the liquid asset position of consumer spending units should be considered in the light of other assets which the majority of these units have.

SUMMARY OF FINDINGS ON LIQUID ASSETS

1. Approximately 36 million of the 50.4 million spending units in the United States are estimated to have had some type of liquid asset in the form of United States Government bonds, of savings and checking accounts in banks, of postal savings, or of shares in savings and loan associations in early 1949. While it cannot be stated with certainty that the number of liquid asset holders increased during 1948, it is apparent from data in successive surveys that the total number of holders has risen about 1 million in the past three years.

2. The proportion of all spending units that hold liquid assets has gradually dropped from 76 per cent in 1946 and 1947 to 71 per cent at the time the current survey was made early this year. Accompanying an increase in the total number of spending units during the past three years, the number without any liquid assets has increased at a somewhat faster rate than the number of asset holders.

3. The proportion of spending units holding Government bonds dropped from approximately 48 per cent in early 1948 to 45 per cent at the beginning of this year. During the postwar period the proportion of bondholders has declined from roughly 6 in every 10 spending units to 4½ in every 10. The proportions of spending units holding other specific types of liquid assets showed little or no change during 1948.

4. As in previous surveys, the proportion of spending units having liquid assets was larger in

the higher income groups than in the lower income groups. About half the units in the lowest fifth of the income scale (income under \$1,500) reported having such assets in early 1949; in the middle fifth (income between \$2,400 and \$3,200) the proportion was 7 of every 10; and in the highest fifth (income of \$4,500 or more) better than 9 of every 10 spending units reported having some kind of liquid asset. There were some indications that a slightly larger proportion of spending units in the lower third of the income scale held liquid assets early in 1949 than in early 1948, while the reverse was true for units in the upper two-thirds of the income scale.

5. The median amount of liquid assets held by all spending units was smaller at the beginning of 1949 than it was a year earlier. The middle-most of all spending units when arranged in order of the amount of their holdings reported having \$300 in United States Government bonds or in savings and checking accounts in early 1949. When only units having liquid assets were considered, the median holding was \$790. Comparable figures for early 1948 are \$350 for all spending units and \$820 for those with liquid assets.

6. It is estimated that nearly 30 million spending units had changes in their liquid asset holdings during 1948. In roughly one-fifth of the cases the increase or decrease in total holdings amounted to \$500 or more.

7. About 13 million spending units added to their Government bonds, savings accounts, or checking accounts during the year; more than 16 million, or about one-third of all spending units, reduced their holdings in 1948. These figures follow closely the findings of the preceding survey with respect to changes during 1947.

8. Comparison of data obtained from successive surveys confirms the conclusion, derived from Treasury and banking statistics and quoted before, that aggregate personal holdings of liquid assets did not change substantially from the beginning of 1948 to the beginning of 1949. This relative stability in aggregates was, however, the result of both very large withdrawals from and additions to liquid asset holdings. If only those spending units are considered who had smaller amounts of liquid assets at the beginning of 1949 than at the beginning of 1948, their aggregates appear to be approximately 15 billion dollars lower than a year earlier. This sum of reductions for 1948 appears to be similar

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to that in 1947 but larger than that in 1946.

9. Roughly 3 million consumer units either exhausted their liquid assets during 1948 or were newly formed spending units that had not yet acquired liquid assets. At the same time, however, there were at least as many units, and perhaps a few more, that became liquid asset holders during the year or were newly formed units that reported holdings for the first time.

10. An emergency, such as sickness, was mentioned by nearly half of the spending units that reduced their liquid asset holdings during 1948. The purchase of an automobile or some other durable good was mentioned by about the same proportion of these spending units. Expenditures for nondurable consumer goods and services, including general living expenses, were cited as reasons by about one-third of all spending units. In terms of the amounts of liquid assets used, however, funds drawn by individual spending units for investment in a house or other real estate, in securities, or in a business, and for the purchase of automobiles and other durable goods were usually much larger than amounts used for nondurable consumer goods and services.

11. Ranking of all spending units either by size of income or by amount of liquid asset holdings shows no significant change in the relative proportions held by each tenth of the spending units early in 1948 and 1949, respectively. While similar comparisons with any prewar year are impossible, and notwithstanding some evidence of a slight postwar increase in the share held by the top third of the units, there is reason to believe that the current record total of liquid assets is more widely distributed than were much smaller aggregate amounts before the war.

DISTRIBUTION OF LIQUID ASSETS IN EARLY 1949

The amounts of liquid assets held by individual spending units varied greatly in early 1949, as would be expected, but the over-all distribution did not differ substantially from the pattern of the two preceding years. Despite the fact that the proportion of spending units having no liquid assets appears to have increased somewhat during 1948 (from 27 per cent to 29 per cent), there is ample evidence that liquid asset holdings are still broadly distributed. The proportion of spending units that held liquid assets was slightly smaller at the begin-

ning of 1949 than a year earlier (71 per cent compared to 73 per cent), but inasmuch as the total number of spending units has continued to increase it is probable that the number of units with some liquid assets was at least as large at the beginning of this year as at the start of 1948. It is estimated that approximately 36 million consumer spending units held United States Government bonds or had savings accounts or checking accounts at the beginning of this year. This is roughly 1 million more spending units than had some liquid assets in early 1946.

As indicated in Table 1, somewhat more than one-fourth of all spending units had no liquid assets in early 1949, one-sixth had less than \$200 each, one-fourth had from \$200 to \$999, and about one-third had \$1,000 or more. It should again be noted that holdings of currency are not included in these liquid asset tabulations.

TABLE 1
DISTRIBUTION OF SPENDING UNITS, BY SIZE OF LIQUID ASSET
HOLDINGS, EARLY 1949, 1948, AND 1947¹

Amount of liquid assets held ²	[Per cent]		
	1949	1948	1947
None.....	29	27	24
\$1-\$199.....	16	15	14
\$200-\$499.....	13	13	12
\$500-\$999.....	11	12	14
\$1,000-\$1,999.....	11	12	14
\$2,000-\$2,999.....	5	6	7
\$3,000-\$4,999.....	7	6	7
\$5,000-\$9,999.....	5	5	5
\$10,000 and over.....	3	4	3
All units.....	100	100	100
Median holdings of all units.....	\$300	\$350	\$470
Median holdings of those with assets.....	\$790	\$820	\$890

¹ Liquid asset data represent holdings early in the years indicated and are based on interviews during January, February, and early March.

² Includes all types of U. S. Government bonds, checking accounts, and savings accounts in banks, postal savings, and shares in savings and loan associations and credit unions. Excludes currency holdings. Data for 1949 do not include shares in credit unions but these are relatively small in the aggregate and not likely to affect totals significantly.

The substantial rise since the end of the war in the number of spending units in the population has been reflected in an increased number of liquid asset holders as well as in an increased number of units having no liquid assets.

In terms of numbers, it can be roughly estimated that about 16 million spending units held at least \$1,000 in liquid assets at the beginning of 1949. This was about equal to the number of units having

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this amount of liquid assets in early 1948 but was approximately 1 million greater than the number in early 1946. The size of the group having less than \$1,000 in liquid assets has remained practically unchanged in this three-year period. On the other hand, the number of spending units having no liquid assets has grown from somewhat more than 11 million at the beginning of 1946 to about 14.5 million in early 1949.

These developments indicate that the record volume of consumer liquid assets at the beginning of 1949 was available to at least as many consumers as ever before to reinforce their demands for all kinds of consumer goods and services, for investments in business and housing, and as "nest eggs" in case of need. However, in spite of this continued widespread ownership of liquid assets, an increasing proportion of the growing potential market for goods and services does not possess any liquid assets and therefore may require credit in order to be able to buy.

For all spending units, including nonholders as well as holders, the median amount of liquid assets held early this year was \$300 as compared with \$350 at the beginning of 1948 and \$400 early in 1946. For the 36 million spending units having liquid assets at the beginning of this year, the median amount held was approximately \$790. This was about 5 per cent less than at the start of the preceding year, but about 5 per cent more than in early 1946.

It is important to note that the median amount of liquid assets held by those having such resources at the present time is still as large as, or even slightly larger than, it was at the end of the war. This fact assumes added significance when viewed in the light of a net increase during this period of roughly 1 million spending units having liquid assets and also of the record volume of consumer spending for all kinds of goods and services—particularly for durable goods and housing.

One of the more interesting findings of the successive surveys in regard to the distribution of liquid asset holdings is the extent of variation in the amounts held by spending units within the same income bracket. These variations are highlighted by the data in Table 2, which were obtained by arranging all spending units in each income group in the order of the amount of their liquid asset holdings and then dividing the group

into four equal parts. The table shows, for example, that when the survey was made in early 1949 one-fourth of all spending units with 1948 incomes from \$3,000 to \$3,999 had no holdings or total holdings of \$10 or less; that one-half of the units in this income group had less than \$270 in liquid assets and one-half had more than this amount; and that one-fourth of these spending units had \$1,200 or more in liquid assets. In nearly every instance the median and quartile holdings for each income group were somewhat lower at the beginning of 1949 than at the beginning of 1948.

TABLE 2

DISPERSION OF LIQUID ASSET HOLDINGS WITHIN INCOME GROUPS, EARLY 1949

1948 annual money income before taxes	Amount of liquid assets held by spending unit at: ¹		
	First quartile	Median	Third quartile
Under \$1,000.....	\$ 0	\$ 0	\$ 200
\$1,000-\$1,999.....	0	80	600
\$2,000-\$2,999.....	0	150	850
\$3,000-\$3,999.....	10	270	1,200
\$4,000-\$4,999.....	100	500	1,920
\$5,000-\$7,499.....	330	1,350	3,670
\$7,500 and over.....	1,600	4,500	10,980

¹ Figures refer to spending units within each income group selected as follows:

First quartile—holdings of the spending unit which separates the fourth with smallest holdings from the upper three-fourths.

Median—holdings of the spending unit which is the mid-point of the distribution; half of the spending units are below and half above.

Third quartile—holdings of the spending unit which separates the fourth with largest holdings from the lower three-fourths.

For comparable 1948 data, see Federal Reserve BULLETIN, July 1948, Table 3, p. 768; for 1947 data, see July 1947 BULLETIN, Table 9, p. 798. Similar data as published from the 1946 survey (see BULLETIN for July 1946, Table 5, p. 718) are not strictly comparable since they include liquid asset holdings in the form of currency.

The share of total liquid assets held by each tenth of the nation's spending units, when ranked either by size of income or by size of their liquid asset holdings, showed relatively little change during 1948. As shown in Table 3, it is estimated that the top 10 per cent of all spending units, when ranked according to income, held 44 per cent of the liquid assets reported in the survey in 1949. This was about the same proportion as shown by the survey early in 1948. The shares of other income segments of the nation's spending units were likewise about the same as they were a year earlier. The 40 per cent of the consumer units with incomes ranging from \$2,840 to \$6,000 in 1948 accounted for approximately 33 per cent of the liquid assets

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TABLE 3

PROPORTION OF LIQUID ASSETS HELD BY EACH TENTH OF THE NATION'S SPENDING UNITS, WHEN RANKED BY SIZE OF INCOME, EARLY 1949, 1948, AND 1947

Spending units ranked according to annual money income before taxes	Percentage of liquid assets held:					
	By each tenth			Cumulative		
	1949 ¹	1948 ²	1947 ³	1949	1948	1947
Highest tenth.....	44	43	39	44	43	39
Second.....	11	14	15	54	57	54
Third.....	9	8	9	64	65	63
Fourth.....	8	7	7	71	72	70
Fifth.....	6	5	7	77	77	77
Sixth.....	6	6	7	83	83	84
Seventh.....	6	4	5	89	87	89
Eighth.....	3	4	4	92	91	93
Ninth.....	4	4	4	97	95	97
Lowest tenth.....	3	5	3	100	100	100

¹ For spending units ranked in order of their 1948 annual incomes (fourth survey).

² For spending units ranked in order of their 1947 annual incomes (third survey).

³ For spending units ranked in order of their 1946 annual incomes (second survey).

NOTE.—Detailed figures may not add to cumulative figures because of rounding.

reported in early 1949, and the remaining 50 per cent of the units held 23 per cent of the total.

It should be noted that changes of slight magnitude from year to year in the shares of the respective income tenths of the spending units cannot be presumed to be statistically significant inasmuch as they could result from sampling variation alone. It can be said, however, that there is little evidence in the survey to indicate any change during 1948 in the proportion of total liquid assets held by the several income tenths.

In general, the proportion of total liquid assets held by a group of spending units, as well as the number of spending units within the group having liquid assets, increased with the size of income of the group. Nevertheless, as has been true in each survey to date, many consumer units with relatively high incomes had no liquid assets and a sizable number of spending units with low incomes held substantial amounts of such assets.

In trying to evaluate the potential economic effects of these consumer reserve funds, it is helpful to know the total dollar amount of liquid assets held by the various income groups. Survey data are of limited value for this purpose inasmuch as faulty memory or unwillingness to furnish information about liquid asset holdings resulted in a certain amount of underreporting by spending

units. Instead, Treasury and banking statistics that indicate aggregate holdings of about 132 billion dollars at the end of 1948 may be roughly adjusted and distributed among the income groupings used in the survey. However, it must be noted that the estimates based on Treasury and banking statistics relate to the entire population, while survey estimates include only those persons living in private households. Further, the two sets of data may differ in their classification of individual liquid asset holdings as personal or non-personal. Finally, it is necessary to assume that the data based on Treasury and banking sources would be distributed percentagewise among the income tenths in about the same way as data derived from the survey.³

With these qualifications, and after allowing approximately 5 billion dollars for holdings of institutional and floating groups not covered by the survey, it is possible to present a general indication of the distribution of the 127 billion dollars of liquid assets estimated to be in the hands of consumer spending units at the beginning of this year. The 5 million spending units making up the top 10 per cent of the income receivers (with annual incomes of \$6,000 or more) held roughly 55 billion dollars in the form of United States Government bonds and savings and checking accounts. The next 20 million spending units making up the remainder of the top half of the income receivers (incomes between \$2,840 and \$6,000) accounted for approximately 42 billion dollars; and the 25 million consumer units in the lower half of the income distribution (incomes of less than \$2,840) held the balance, amounting to nearly 30 billion dollars.

Another way of studying the distribution of liquid assets is to rank all spending units according to the amount of their holdings, as is done in Table 15 at the end of this article. On this basis, at the beginning of 1949 the top 10 per cent of all spending units were found to hold roughly two-thirds of all liquid assets reported in the survey—or about the same proportion as the top tenth held early in 1948. Almost no change was recorded in the share of any of the various tenths of the spending units during the 12-month period.

³ The Treasury and banking data which were adjusted and distributed for this purpose were published in the Federal Reserve BULLETIN, July 1949, pp. 793-94.

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At the beginning of both 1948 and 1949, about 4 of every 10 spending units held no liquid assets or at most only nominal amounts of \$10 or less.

FREQUENCY OF LIQUID ASSET OWNERSHIP

The proportion of consumer spending units within each income group that reported having some liquid assets at the beginning of 1949, as shown in Table 4, repeats the finding of preceding surveys that the higher the income the greater the proportion having liquid assets. More than 3 of every 4 spending units with incomes of \$3,000 or more reported some liquid assets, and only in the lowest income group did the ratio fall below 1 in every 2 units. The proportions of all liquid asset holders falling within the several income groups did not vary greatly from the proportions a year earlier, confirming the conclusion that liquid assets are still widely distributed among the population. The only exceptions were in the income range between \$2,000 and \$4,000, where rather substantial declines were noted.

Care must be exercised in the interpretation of this table because the liquid asset holdings at the beginning of each year are related to the income of the spending unit in the previous year, and there has been a steady upward movement in income distribution since the war. The effect of this shifting can be compensated to some extent by ranking all spending units by income in both 1947 and 1948 and then studying comparable portions of the total population. Table 12 presented at the end of this article shows the proportion of spending

units holding various types of liquid assets, by income quintiles, in early 1948 and 1949. This table indicates that for the most part the proportion of liquid asset holders in different income quintiles changed relatively little. At the beginning of 1949 units with some liquid assets seemed to be somewhat more frequent than a year earlier in the lowest third of the income scale, and slightly less frequent in the top two-thirds of the distribution.

An important development during 1948 was the apparent increase in the frequency of liquid asset holdings by consumer spending units in the lower income brackets. Inasmuch as the total holdings of liquid assets among these spending units are small relative to the aggregate the change was not sufficient to affect the over-all distribution of total liquid asset holdings. Nevertheless, more frequent holding of liquid assets among the lower income groups would tend to support a broader market for consumer goods and services.

TYPES OF LIQUID ASSETS HELD

Since the end of the war there have been substantial shifts in the types of liquid assets held by consumer spending units, as shown in the chart. In general the proportion of spending units holding United States Government securities has declined and the proportion of those having savings and checking accounts has increased. Changes during 1948 were somewhat less pronounced than in the earlier postwar years. The proportion that were Government bondholders continued to decline, al-

TABLE 4
SPENDING UNITS HOLDING VARIOUS TYPES OF LIQUID ASSETS, BY INCOME GROUPS, EARLY 1949, 1948, AND 1947¹

Annual money income before taxes	Percentage of spending units in each income group having:											
	Any liquid asset ²			U. S. Government bonds ³			Savings accounts ⁴			Checking accounts		
	1949	1948	1947	1949	1948	1947	1949	1948	1947	1949	1948	1947
Under \$1,000.....	44	44	49	21	22	25	25	22	26	19	24	21
\$1,000-\$1,999.....	59	59	65	32	34	44	32	34	37	28	24	30
\$2,000-\$2,999.....	65	73	80	42	49	62	42	43	50	28	33	30
\$3,000-\$3,999.....	78	83	89	48	56	69	51	55	60	37	41	39
\$4,000-\$4,999.....	87	90	92	58	61	77	52	58	62	48	50	56
\$5,000-\$7,499.....	94	97	100	64	69	86	60	67	69	71	69	72
\$7,500 and over....	99	99	100	78	86	91	64	73	69	92	86	89
All units.....	71	73	76	45	48	56	44	46	47	39	39	37

¹ Liquid asset data represent holdings early in the year indicated and are based on interviews during January, February, and early March. For comparable data for 1946, see Federal Reserve BULLETIN for July 1948, Table 2, p. 768.

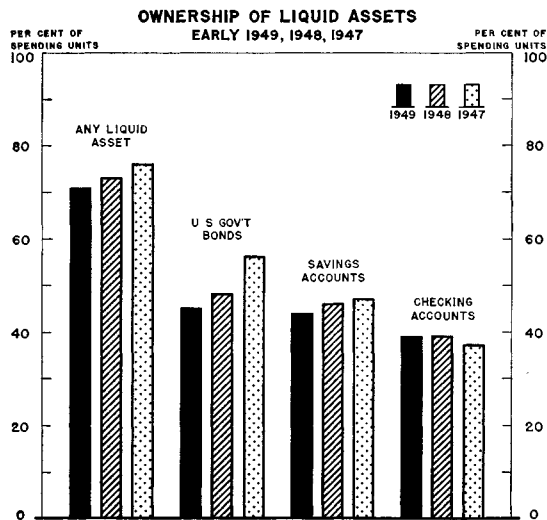
² Includes all types of U. S. Government bonds, savings accounts, and checking accounts.

³ Includes all types of U. S. Government bonds.

⁴ Includes savings accounts in banks, postal savings, and shares in savings and loan associations. Data for 1948 and 1947 also include shares in credit unions.

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though at a less rapid rate than in the two preceding years. The proportion of spending units having savings accounts also declined slightly for the second year in a row, following a sharp increase in these accounts from 1946 to 1947. The frequency of checking accounts among spending units remained unchanged.



NOTE.—For sources and coverage of data, see Table 4.

The most popular single form of liquid asset was still United States Government bonds, although their margin over savings accounts of various kinds was narrowed still further. Early in 1949, approximately 45 per cent of all spending units held Government bonds as compared to 44 per cent with some type of savings account and 39 per cent with checking accounts. It was still true, as shown in Table 4, that the percentage of the spending units in each income group owning Government bonds was about as great as the percentage owning any other type of liquid asset.

The distribution of Government bonds and savings accounts among different income groups continues to be similar to the distribution of total holdings of liquid assets. In each case, the proportion of holders increases gradually as income rises. Checking accounts are much more frequent among spending units with incomes of \$5,000 or more than they are at lower income levels.

As indicated previously, the decline in proportion of spending units that were Government bondholders was not as sharp during 1948 as in

the two preceding years, according to survey results. Nearly half of all spending units continued to have some of these securities. Tables 11 and 12 following this article show that reductions in holdings were relatively uniform for larger and smaller holders. It should be noted that changes of small magnitude cannot be considered statistically significant.

The frequency with which consumer spending units reported having savings accounts of various kinds has declined consistently during the past two years, after increasing sharply from 1946 to 1947. As shown in Table 4, the proportion of units who reported having savings accounts in banks or postal savings, or shares invested in savings and loan associations, was lower in each income group at the beginning of 1948 than early in 1947. With the exception of spending units with incomes of less than \$1,000, the same was true from early 1948 to the time of the survey in early 1949.

Increases and decreases in the frequency of checking accounts were almost equally divided among the various income groups. In general, slightly larger proportions of units having such accounts were found in the upper income brackets, and slightly smaller proportions at lower income levels.

CHARACTERISTICS OF LIQUID ASSET HOLDERS

Each survey has revealed characteristics of liquid asset holders, through classification of spending units holding such assets by age, place of residence, and occupation of the head of the spending unit as well as by the size of the unit. Analysis of these characteristics is useful in understanding the accumulation and use of these liquid resources.

Differences among occupational groups in the amounts of liquid assets held are summarized in Table 5. Professional and business people held relatively large amounts, on the average, and few spending units where the principal income earner follows one of these occupations were without some liquid assets. Clerical and sales personnel generally had moderate amounts of liquid assets, with the majority holding amounts of less than \$1,000. The proportion of units having some liquid assets among this occupational group was relatively high—about 5 of every 6.

The proportion of skilled and semiskilled workers with liquid assets was somewhat smaller (roughly 2 of every 3) and their holdings were

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TABLE 5

SIZE OF LIQUID ASSET HOLDINGS WITHIN DIFFERENT OCCUPATIONAL GROUPS, EARLY 1949 AND 1948¹
[Per cent]

Amount of total liquid assets held ²	Occupational group of head of spending unit													
	Professional		Managerial and self-employed		Skilled and semi-skilled		Clerical and sales personnel		Unskilled		Farm operator		Retired	
	1949	1948	1949	1948	1949	1948	1949	1948	1949	1948	1949	1948	1949	1948
None	9	6	12	11	30	27	16	17	51	53	28	28	30	38
\$1-\$499	27	23	25	21	32	34	38	32	27	26	23	22	22	17
\$500-\$1,999	26	28	21	26	23	23	29	31	14	15	24	28	15	19
\$2,000-\$4,999	19	24	22	18	10	12	10	14	5	5	13	12	19	10
\$5,000 and over	19	19	20	24	5	4	7	6	3	1	12	10	14	16
All units	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Median asset holdings.	\$1,100	\$1,350	\$1,300	\$1,400	\$200	\$250	\$400	\$500	0	0	\$460	\$500	(³)	(³)

¹ Liquid asset data for early 1949 are based on interviews in January-March 1949 (fourth survey); for 1948 on interviews in January-March 1948 (third survey).

² Includes all U. S. Government bonds, savings accounts, and checking accounts.

³ Data not available.

also smaller than those of the clerical and sales group. About three-fourths of the farm operators and roughly two-thirds of the persons who had retired from active work had some liquid assets, and holders in these groups had fairly sizable amounts.

Changes from early 1948 to early 1949 in the proportion of spending units within various occupational groups that held liquid assets were smaller than they had been in the preceding 12-month period. As shown in Table 5, the percentage of spending units that had no assets increased slightly in professional and managerial and self-employed groups, as well as in skilled and semiskilled groups. On the other hand, the proportion of units that held some liquid resources appeared to have increased slightly among clerical and sales personnel, unskilled workers, and retired persons. The occupational distributions of liquid asset holdings shown in this table for both early 1949 and 1948 should be considered only as rough guides to the true distribution of these holdings as well as to changes in their distribution. The number of sample cases for some of the separate occupations is small, and the possibility of variations arising from the sample drawn in each year is therefore substantial.

Differences in the types of liquid assets held by various occupational groups such as have been noted in previous surveys continued in early 1949. Professional persons had about as large a group holding each type of liquid asset as was the case for

any other occupational group. The unskilled group again had the smallest percentage of holders of United States savings bonds, while farm operators had the smallest percentage of spending units with savings accounts. Checking accounts were more frequent among the professional, managerial, and self-employed, and farm operator groups than among other groups. At least two-thirds of the spending units in each of these classifications had such accounts, compared with two-fifths or less for the other groups. The type and size of liquid asset holdings within the different occupational groups is shown in Table 13 following this article.

Variations in the amount and frequency of liquid asset holdings according to other characteristics such as age, place of residence, and size of the spending unit are set forth in Table 16 on page 16. The age of the head of the unit appeared to be an important factor in differences in liquid asset holdings. The highest proportions of those having some liquid assets were found in the age brackets from 45-64. Nonholders were most frequent where the heads of the units were in either the youngest or oldest age groups. Age was also an important factor in the size of liquid asset holding; the older the principal income receiver, the larger the reserve of liquid assets appeared to be.

Spending units in metropolitan areas generally had somewhat larger liquid asset holdings than spending units in other urban areas or in rural areas. Thus, the proportion of spending units

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with holdings of \$500 or more was about one-half in metropolitan areas compared with roughly two-fifths in other areas. Nearly 80 per cent of the spending units in metropolitan areas had some kind of liquid asset, compared with approximately 70 per cent of those living in other urban areas and 65 per cent of those in rural areas.

In early 1949 the size of the spending unit was not closely related to the holding of liquid assets, except that units with five or more persons reported having no assets more frequently than did smaller units. Also, somewhat larger amounts of liquid assets were held by smaller units than by larger units.

CHANGES IN LIQUID ASSET HOLDINGS DURING 1948

During 1948, as in the earlier years covered by the surveys, a substantial portion of all individual consumer spending units had important changes in their liquid asset holdings. It is estimated that nearly 30 million spending units had changes in their liquid asset positions during 1948. In roughly one-fifth of the cases these increases or decreases in total holdings amounted to as much as \$500 or more.

As Table 6 indicates, about one-fourth of all units added to their liquid asset holdings in 1948, while approximately one-third reported lower totals at the beginning of 1949 than they did a year earlier. The remainder said they had no liquid assets in either year, or that there had been no change in their holdings. The distribution of the spending units by their 1948 money incomes brings out some differences between units in the various income brackets. There was a noticeable tendency

among the higher income brackets toward somewhat greater frequency of both increases and decreases in liquid asset holdings, partly because a larger proportion of the higher income groups are liquid asset holders. In every group with incomes up to \$5,000, decreases in assets were somewhat more frequent than increases. Only in the income groups below \$2,000, however, was the number of declines in holdings substantially higher than the number of increases.

The proportions of those spending units owning each type of liquid asset that reported either increases or decreases in holdings during 1948 showed almost the same pattern as that noted from early 1947 to early 1948. Larger balances in both savings accounts and checking accounts were reported with slightly greater frequency than larger holdings of Government bonds. About one-third of all spending units with savings accounts and one-fourth of those with checking accounts noted increased balances, while slightly more than one-fifth of the Government bondholders reported higher total holdings at the beginning of 1949 than they had a year earlier.

On the decrease side, the relative position of the different types of assets was somewhat reversed. Only about one-fourth of the Government bondholders said they had reduced their holdings during the year, while about one-third of the spending units with checking accounts, and one-half of those with savings accounts, indicated they had reduced these balances during 1948. As in 1947, the amounts of increase or decrease were larger in the case of savings and checking accounts than in the case of Government bonds.

TABLE 6

CHANGE IN LIQUID ASSET HOLDINGS OF SPENDING UNITS WITHIN DIFFERENT INCOME GROUPS, 1948¹

Change in liquid asset holdings	Percentage distribution of all spending units within income groups							
	All spending units	1948 annual money income before taxes						
		Under \$1,000	\$1,000-\$1,999	\$2,000-\$2,999	\$3,000-\$3,999	\$4,000-\$4,999	\$5,000-\$7,499	\$7,500 and over
Increase.....	26	7	19	24	31	33	38	38
No change ²	15	14	16	16	13	17	16	19
Decrease.....	32	26	28	30	36	37	37	34
No liquid assets now or year ago.....	23	50	34	27	15	10	3	1
Not ascertained.....	4	3	3	3	5	3	6	8
All units.....	100	100	100	100	100	100	100	100

¹ Based on liquid asset holdings in early 1949 and a year earlier as reported by spending units during January-March 1949.
² Includes change in assets due solely to accrual of interest on U. S. Government bonds (Series A-F).

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The survey also provides some information on the spending units that exhausted their liquid assets during 1948 (or at least had none at the beginning of 1949) and on those that acquired liquid asset balances. There were approximately 3 million consumer spending units in early 1949 that either had exhausted their liquid assets during the year, or were newly formed spending units that had not yet acquired such resources. At the same time, however, there were at least as many units, and possibly as many as a half million more units, that reported holdings at the beginning of 1949 that did not have them a year earlier. These included some additional units formed during the year and some units that did not have such assets at the start of 1948.

Table 7 indicates that roughly three-fourths of all the spending units that exhausted their liquid assets were in the income range of \$1,000 to \$3,999, but that some cases were found at every income level. Also, three-fourths of those who had no liquid assets early in 1948 but did have some at the beginning of this year fell in the income range of \$1,000 to \$3,999. Again, however, the distribution included some at the lowest as well as some at the highest income levels.

Increases and decreases in liquid assets during 1948 appeared to bear some relationship to changes in income during the same period. Decreases in holdings were substantially more frequent than in-

creases among spending units whose 1948 incomes were smaller than they had been in the preceding year. Even among spending units whose incomes were about the same in both years, or even slightly larger in 1948 than in 1947, the proportion having decreases in liquid assets was somewhat larger than the proportion having increases. Where the spending units reported much larger incomes in 1948 than in the preceding year, increases in liquid assets were more frequent than decreases.

In survey reports for prior years, it has been pointed out that there appears to be a tendency for spending units to overstate declines in liquid asset holdings and to understate increases. The data on changes are obtained by asking the heads of the spending units about the amount of their holdings at the time of the interview and a year previous to that time. Memory "error" may play an important part in these calculations. For the first time in these surveys, an attempt was made to have respondents check their records. This first attempt was only partly successful because less than one-fifth of the units actually referred to their records. The memory error, therefore, probably introduces considerable bias in the data on changes in holdings. Furthermore, it is doubtful whether interest credit on savings accounts is adequately reflected in the increases in liquid assets during the year. Consequently, both the number and the amount of additions to holdings may be understated.

TABLE 7
INCOME DISTRIBUTION OF SPENDING UNITS ACQUIRING OR
EXHAUSTING THEIR LIQUID ASSETS DURING 1948¹
[Per cent]

Income group	Spending units that acquired liquid assets	Spending units that exhausted liquid assets ²
Under \$1,000	8	12
\$1,000-\$1,999	18	21
\$2,000-\$2,999	35	29
\$3,000-\$3,999	21	24
\$4,000-\$4,999	8	6
\$5,000-\$7,499	7	7
\$7,500 and over	2	(3)
Not ascertained	1	1
All units	100	100

¹ Liquid asset data are based on interviews made in January-March 1949. Respondents were asked about their holdings of liquid assets at the time of the interview and also their holdings a year earlier. These data are based on relatively few cases and represent only rough approximations.

² Includes newly formed spending units having no liquid assets at beginning of 1949.

³ Less than one-half of 1 per cent.

PURPOSES FOR WHICH LIQUID ASSETS WERE USED IN 1948

Each of the surveys has attempted to find out the purposes for which people use funds withdrawn from their liquid assets. This line of inquiry has been limited to those spending units that had smaller liquid asset holdings at the end of the year than they had at the beginning, and the group thus queried in 1948 included roughly 1 in every 3 spending units. Because the general nature of the question asked in prior years had provoked rather general answers, the 1949 survey included two additional questions. This procedural change makes comparisons with preceding years somewhat difficult, but provides a fuller account of the purposes for which such resources were actually used in 1948. This was especially true for spending units that drew down liquid asset resources for a number of purposes.

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TABLE 8
PURPOSE OF REDUCTION IN LIQUID ASSETS DURING 1948

Purpose	Percentage distribution of spending units that reduced liquid assets
Emergencies and sickness	49
Automobiles and other durable goods	47
Nondurable consumer goods and services ¹	32
Repairs and additions to house	16
Luxuries and travel	13
Education, moving, and other miscellaneous expenses	13
Buying of home	11
Investment in other real estate, securities, or in business	11
Farm expenses and farm machinery	8
Repair of automobile and other durable goods	5
Payment of debts	4
Unclassified purposes	12
All units	(9)

¹ Includes general living expenses.

² More than 100 per cent because some spending units mentioned several purposes.

When consumers are asked why they accumulate assets of this type, the traditional answer is "for a rainy day." The reason given most frequently for drawing down liquid asset balances during 1948 tends to bear this out. As shown in Table 8, nearly half of the units that had smaller amounts of liquid asset holdings early in 1949 than a year earlier gave sickness or other incidents of an emergency character as one of their explanations. Almost equally important, however, was the purchase of an automobile or other durable good. Expenditures for nondurable consumer goods and services (including general living costs) were mentioned by about one-third of all these spending units.

Repairs and additions to houses were listed by about one-sixth of the spending units whose liquid assets were reduced during 1948. This response, together with the fact that about one-eighth of the units indicated that their assets were used in connection with the purchase of a house, indicates that housing expenditures were an important outlet for these liquid funds. Other items of expenditure of some significance included education and moving, and investments in real estate other than houses, in securities, and in different types of business.

To summarize the dollar volume of expenditures for these various purposes, it was necessary to consider separately units that gave only one reason for drawing down their liquid balances and those

that gave several purposes. The discussion which follows, and the data shown in Tables 9 and 10, are based on this regrouping of the spending units. The footnotes in Table 9 indicate the purposes included under each major classification.

Slightly less than half of all spending units reporting a net decline in liquid assets from early 1948 to early 1949 used the proceeds exclusively for nondurable consumer goods and services (including sickness and other emergencies). As Table 9 shows, about one-tenth said they had used their liquid assets for the purchase of automobiles and other durable goods and another tenth pointed to the purchase of a house or other permanent investments or repayment of debt. Because of the more detailed questions this year regarding the

TABLE 9
PURPOSES OF REDUCTION IN LIQUID ASSETS BY SPENDING UNITS WITHIN VARIOUS INCOME GROUPS, 1948¹

Purpose	Net reduction (Per cent)	Percentage distribution of spending units that reduced liquid assets			
		All income groups	Income group		
			Under \$2,000	\$2,000-\$4,999	\$5,000 and over
Nondurable consumer goods and services (including taxes) ²	18	45	66	42	28
Automobiles and other durable goods	7	10	3	12	13
Houses and investments ³	28	9	6	8	14
Several purposes ⁴	47	36	25	38	45
All units	100	100	100	100	100

¹ Only spending units that had smaller amounts of liquid assets at the beginning of 1949 than at the beginning of 1948 are included in this table. These units were asked the following question: "Now adding all that together I find that you now have in bonds and deposits \$.....less than you did a year ago. You used about \$.....from your savings. Is that about right? What sort of things did you use this money for?"

² Includes living expenses, emergencies and sickness, repair of houses, and other nondurable consumption (repairs of automobiles and other durable goods, purchase of luxury goods, moving, travel, amusement, education, and taxes).

³ Includes purchases of real estate, investment in business or securities, and repayment of debt.

⁴ The distribution of spending units reducing liquid assets for several purposes is as follows:

	Per cent
Nondurable consumer goods, etc., and durable goods	14
Nondurable consumer goods, etc., and houses and investments	3
Durable goods and houses and investments	5
Other combinations	14
Several purposes	36

For comparable data in 1947, see Federal Reserve BULLETIN, July 1948, Table 7, p. 772; for 1946, see June 1947 BULLETIN, Table 5, p. 654.

NOTE.—The purposes shown in this table and in Table 10 were obtained by condensing the various purposes shown in Table 8.

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reasons for reducing liquid asset balances, the number of units giving several purposes was considerably larger than in previous years. The various combinations indicated in the footnote to this table again emphasize the use of these funds in connection with the purchase of automobiles, other durable goods, houses, and various types of investments, as well as their use for nondurable consumer goods and services.

Various income groups used their liquid assets in 1948 according to a pattern similar to that of previous years. Roughly two-thirds of the spending units with incomes of less than \$2,000 said they used their liquid assets to purchase nondurable consumer goods and services exclusively. Spending units with incomes of \$2,000 or more, which accounted for a substantial majority of all the spending units that reduced liquid assets and also for the bulk of the dollar volume involved, tended to stress such purposes as the purchase of durable goods, or the purchase of houses and other investments.

Any estimate of the amount of money spent for each of the various purposes in 1948 has limited value because many spending units gave more than one reason for reducing their liquid asset balances and did not apportion the expenditures. An estimated distribution has been calculated from the replies of those who said their funds were used for one purpose, or for several purposes, as shown in the first column and footnote 4 of Table 9, but should be considered only a rough approximation. It indicates that about half of the total decrease in holdings may have been used for the purchase of houses or for making investments in other real estate or in businesses or securities. About one-fourth may be explained by expenditures for nondurable consumer goods and services (including sickness and emergencies), and roughly one-fifth for automobiles and other durable goods.

Table 10 provides further information that relates the size of the decrease in liquid assets to the purpose for which the funds were used. Three-fifths of the spending units reducing liquid assets for houses and investments used amounts of \$1,000 or more. Spending units that had purchased automobiles and other durable goods generally re-

ported declines of \$500 or more in liquid assets. A substantial portion of the spending units that reduced liquid assets to obtain nondurable consumer goods and services reported decreases of less than \$200.

TABLE 10

SIZE OF REDUCTION IN LIQUID ASSETS IN 1948, BY PURPOSE

Reduction	Percentage distribution of spending units reducing liquid assets for:				
	All purposes	Non-durable consumer goods and services	Automobiles and other durable goods	Houses and investments	Several purposes
\$1-\$199.....	28	43	17	10	15
\$200-\$499.....	27	31	28	18	24
\$500-\$999.....	19	16	31	11	23
\$1,000 and above..	26	10	24	61	38
All spending units reducing liquid assets.....	100	100	100	100	100

The sizes of the decreases reported among spending units listing several purposes are more comparable to amounts spent for houses and investments and for automobiles and other durable goods than for general consumption purposes. The amounts shown in Table 10 represent the *net* decline of the spending unit during 1948. The actual amounts spent at the time of the purchase may have been larger and have been at least partly offset by additions to liquid assets during other periods of the year.

Previous survey reports have emphasized that reduction in liquid asset holdings of a spending unit during the year does not necessarily imply dissaving. When liquid assets are used to buy a house or to invest in other real estate, in securities, or in a business, the funds are merely transferred from one type of asset to another. On the other hand, if liquid assets are used for buying consumer goods and services (which by definition represent expenditures and are not considered assets) the result is dissaving unless the amounts so used are offset by saving in other forms (insurance, retirement funds, repayment of debt, or other such transactions).⁴

⁴A detailed discussion of consumer saving in 1948 will appear in a later issue of the BULLETIN.

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TABLE 11

TYPE AND SIZE OF LIQUID ASSET HOLDINGS WITHIN VARIOUS INCOME GROUPS, EARLY 1949, 1948, AND 1947¹

Amount of liquid assets held	Percentage distribution of spending units within income groups														
	All spending units			Under \$1,000			\$1,000-\$2,999			\$3,000-\$4,999			\$5,000 and over		
	1949	1948	1947	1949	1948	1947	1949	1948	1947	1949	1948	1947	1949	1948	1947
Total liquid assets:²															
None.....	29	27	24	56	56	51	38	34	27	19	14	10	5	2	0
\$1-\$499.....	28	27	26	24	21	27	29	32	31	35	31	24	17	13	10
\$500-\$1,999.....	22	24	28	12	14	15	21	23	30	25	30	34	23	24	22
\$2,000-\$4,999.....	12	13	14	5	6	5	8	7	9	14	18	24	25	27	27
\$5,000 and over.....	9	9	8	3	3	2	4	4	3	7	7	8	30	34	41
All units.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
U. S. savings bonds (Series A-F):³															
None.....	56	53	44	80	79	75	63	60	47	49	43	28	34	25	13
\$1-\$499.....	25	26	32	11	17	19	25	28	37	29	32	36	25	20	21
\$500-\$1,999.....	13	14	18	6	2	4	9	9	13	16	19	30	21	30	34
\$2,000 and over.....	6	7	6	3	2	2	3	3	3	6	6	6	20	25	32
All units.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Savings accounts:⁴															
None.....	59	55	53	77	77	74	65	62	56	53	44	39	42	31	31
\$1-\$499.....	19	19	18	11	9	15	18	20	21	23	24	20	15	15	15
\$500-\$1,999.....	13	15	18	9	8	8	11	13	17	14	19	25	21	23	18
\$2,000 and over.....	9	11	11	3	6	3	6	5	6	10	13	16	22	31	36
All units.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Checking accounts:															
None.....	61	61	63	81	77	79	72	72	70	59	56	56	22	25	21
\$1-\$499.....	23	23	21	11	13	14	19	19	19	28	30	26	36	28	26
\$500-\$1,999.....	11	11	12	7	8	6	7	7	9	10	10	14	25	29	30
\$2,000 and over.....	5	5	4	1	2	1	2	2	2	3	4	4	17	18	23
All units.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

¹ Liquid asset data represent holdings early in the year indicated and are based on interviews during January, February, and early March. For comparable 1946 data, see Federal Reserve BULLETIN, July 1948, Table 16, p. 779.

² Includes all types of U. S. Government bonds, savings accounts, and checking accounts.

³ Amounts for 1949 and 1948 are shown at 80 and 79 per cent of maturity value, respectively, except for recent purchases, which are shown at purchase price; amounts for 1947 are shown at purchase price.

⁴ Includes savings accounts in banks, postal savings, and shares in savings and loan associations and credit unions.

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TABLE 12

TYPE AND SIZE OF LIQUID ASSET HOLDINGS WITHIN VARIOUS INCOME QUINTILE GROUPS, EARLY 1949 AND 1948¹

Amount of liquid assets held	Percentage distribution of spending units within income quintiles											
	All spending units		Lowest quintile		Second quintile		Third quintile		Fourth quintile		Highest quintile	
	1949	1948	1949	1948	1949	1948	1949	1948	1949	1948	1949	1948
Total liquid assets:²												
None.....	29	27	51	54	38	37	30	24	17	16	7	4
\$1-\$499.....	28	27	25	21	29	34	31	33	35	33	22	17
\$500-\$1,999.....	22	24	15	15	22	20	23	28	26	29	23	27
\$2,000-\$4,999.....	12	13	6	6	7	5	11	11	14	16	23	25
\$5,000 and over.....	9	9	3	4	4	4	5	4	8	6	25	27
All units.....	100	100	100	100	100	100	100	100	100	100	100	100
U. S. savings bonds (Series A-F):³												
None.....	56	53	76	79	63	61	58	51	46	44	36	30
\$1-\$499.....	25	26	17	16	26	31	25	29	31	34	27	22
\$500-\$1,999.....	13	14	5	3	9	5	14	16	16	17	20	28
\$2,000 and over.....	6	7	2	2	2	3	3	4	7	5	17	20
All units.....	100	100	100	100	100	100	100	100	100	100	100	100
Savings accounts:⁴												
None.....	56	55	73	75	62	65	57	55	47	46	40	33
\$1-\$499.....	19	19	13	10	19	19	22	24	25	25	17	17
\$500-\$1,999.....	14	15	9	8	13	12	12	15	16	17	20	23
\$2,000 and over.....	11	11	5	7	6	4	9	6	12	12	23	27
All units.....	100	100	100	100	100	100	100	100	100	100	100	100
Checking accounts:												
None.....	61	61	76	77	74	75	70	65	58	57	29	33
\$1-\$499.....	23	23	15	13	18	17	21	23	29	29	35	30
\$500-\$1,999.....	11	11	8	8	6	6	7	9	10	10	22	24
\$2,000 and over.....	5	5	1	2	2	2	2	3	3	4	14	13
All units.....	100	100	100	100	100	100	100	100	100	100	100	100

¹ For each year the size of liquid asset holdings was determined as of the date of interviews in January, February, or early March of the year indicated. Liquid asset holdings as of early 1949 have been related to 1948 incomes, while asset holdings as of early 1948 have been related to 1947 incomes. The approximate income ranges covered by each quintile are as follows: for 1948 incomes, lowest quintile (under \$1,500), second quintile (\$1,500-\$2,399), third quintile (\$2,400-\$3,199), fourth quintile (\$3,200-\$4,499), highest quintile (\$4,500 and over); for 1947 incomes, lowest quintile (under \$1,200), second quintile (\$1,200-\$2,099), third quintile (\$2,100-\$2,999), fourth quintile (\$3,000-\$4,199), highest quintile (\$4,200 and over).

² Includes all types of U. S. Government bonds, savings accounts, and checking accounts.

³ Amounts for 1949 and 1948 are shown at 80 and 79 per cent of maturity value, respectively, except for recent purchases, which are shown at purchase price.

⁴ Includes savings accounts in banks, postal savings, and shares in savings and loan associations. Data for 1948 also include savings in shares of credit unions.

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TABLE 13

TYPE AND SIZE OF LIQUID ASSET HOLDINGS WITHIN DIFFERENT OCCUPATIONAL GROUPS, EARLY 1949 AND 1948¹
[Per cent]

Amount of liquid assets held	Occupational group of head of spending unit													
	Professional		Managerial and self-employed		Skilled and semi-skilled		Clerical and sales personnel		Unskilled		Farm operators		Retired	
	1949	1948	1949	1948	1949	1948	1949	1948	1949	1948	1949	1948	1949	1948
U. S. savings bonds (Series A-F):²														
None	34	29	46	40	55	54	47	43	72	73	61	57	59	63
\$1-\$499	30	30	28	23	28	29	33	32	19	23	22	25	20	18
\$500-\$1,999	19	24	14	21	13	14	15	19	8	3	10	12	12	9
\$2,000 and over	17	17	12	16	4	3	5	6	1	1	7	6	9	10
All units	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Savings accounts (in banks only):³														
None	43	44	54	55	56	55	45	50	71	72	83	83	59	67
\$1-\$499	22	23	14	11	20	23	30	26	17	15	4	5	14	6
\$500-\$1,999	21	17	15	15	15	14	18	17	7	10	5	5	12	13
\$2,000 and over	14	16	17	19	9	8	7	7	5	3	8	7	15	14
All units	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Checking accounts:														
None	32	32	28	31	74	74	58	59	87	87	37	38	62	64
\$1-\$499	42	39	34	31	20	20	31	29	10	9	29	25	16	14
\$500-\$1,999	19	22	23	24	5	5	9	3	3	3	22	25	13	13
\$2,000 and over	7	7	15	14	1	1	2	3	(1)	1	12	12	9	9
All units	100	100	100	100	100	100	100	100	100	100	100	100	100	100

¹ Liquid asset data represent holdings early in the year indicated and are based on interviews in January, February, and early March.
² Valued at 80 per cent of maturity value except for recent purchases, which are valued at purchase price.
³ Excludes other savings accounts, such as postal savings and shares in savings and loan associations and credit unions.
⁴ Less than one-half of 1 per cent.

TABLE 14

PROPORTION OF LIQUID ASSETS HELD BY SPENDING UNITS AND FAMILY UNITS AT VARIOUS INCOME LEVELS, EARLY 1949¹
[Per cent]

1948 annual money income before taxes	Spending units		Family units	
	Per-centage distribution	Proportion of liquid assets held	Per-centage distribution	Proportion of liquid assets held
Under \$1,000	12	4	11	3
\$1,000-\$1,999	18	7	15	5
\$2,000-\$2,999	23	14	20	10
\$3,000-\$3,999	20	14	20	13
\$4,000-\$4,999	12	11	12	10
\$5,000-\$7,499	10	18	14	22
\$7,500 and over	5	32	8	37
All units	100	100	100	100

¹ The 1948 income data and early 1949 liquid assets data are based on interviews in January-March 1949.
 For comparable spending unit and family unit data in early 1948, see Federal Reserve BULLETIN, July 1948, Table 18, p. 780.
 For comparable spending unit data in early 1947 and 1946, see BULLETIN, July 1947, Table 14, p. 801. For comparable family unit data, see same BULLETIN, Table 18, p. 802.

TABLE 15

DISTRIBUTION OF LIQUID ASSETS AMONG SPENDING UNITS WHEN RANKED (1) BY SIZE OF INCOME AND (2) BY SIZE OF LIQUID ASSET HOLDINGS
EARLY 1949 AND 1948

Spending units ranked according to income	Percentage of liquid assets		Spending units ranked according to holdings of liquid assets	Percentage of liquid assets	
	Early 1949 ¹	Early 1948 ²		Early 1949	Early 1948
Highest tenth	44	43	Highest tenth	66	66
Second	11	14	Second	17	17
Third	9	8	Third	9	8
Fourth	8	7	Fourth	5	5
Fifth	6	5	Fifth	2	3
Sixth	6	6	Sixth	1	1
Seventh	6	4	Seventh	(3)	(3)
Eighth	3	4	Eighth	(3)	(3)
Ninth	4	4	Ninth	0	0
Lowest tenth	3	5	Lowest tenth	0	0
All tenths	100	100	All tenths	100	100

¹ For spending units ranked in order of their 1948 annual incomes.
² For spending units ranked in order of their 1947 annual incomes.
³ Less than one-half of 1 per cent.

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TABLE 16

TYPE AND SIZE OF LIQUID ASSET HOLDINGS, BY SIZE OF SPENDING UNIT, AGE OF HEAD OF SPENDING UNIT,
AND PLACE OF RESIDENCE, EARLY 1949¹

Amount of liquid assets held	Percentage distribution of spending units with each characteristic													
	Number of persons in spending unit					Age of head of spending unit						Place of residence		
	One	Two	Three	Four	Five or more	18-24	25-34	35-44	45-54	55-64	65 and over	Metro-politan area	Other urban area	Rural area
Total liquid assets:²														
None.....	28	24	28	26	44	38	30	28	25	24	32	22	29	35
\$1-\$499.....	28	25	29	35	29	38	36	31	24	21	18	29	30	27
\$500-\$1,999.....	26	24	21	19	14	21	23	21	23	21	20	24	20	20
\$2,000-\$4,999.....	10	15	12	12	8	3	7	13	15	18	15	15	12	10
\$5,000 and over.....	8	12	10	8	5	(?)	4	7	13	16	15	10	9	8
All units.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100
U. S. savings bonds (Series A-F):⁴														
None.....	56	51	54	57	68	62	64	56	49	49	57	48	56	64
\$1-\$499.....	28	24	25	30	22	31	23	27	25	25	22	29	25	22
\$500-\$1,999.....	13	16	14	8	6	7	11	11	17	15	12	16	13	9
\$2,000 and over.....	3	9	7	5	4	(?)	2	6	9	11	9	7	6	5
All units.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Savings accounts:⁵														
None.....	52	54	61	64	73	59	56	63	57	59	61	43	62	72
\$1-\$499.....	23	18	19	15	16	26	27	16	17	13	10	25	18	12
\$500-\$1,999.....	16	17	11	11	7	12	12	13	15	14	14	19	12	9
\$2,000 and over.....	9	11	9	10	4	3	5	8	11	14	15	13	8	7
All units.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Checking accounts:														
None.....	71	57	57	55	66	83	64	55	55	57	62	68	59	56
\$1-\$499.....	17	24	29	27	21	14	28	28	26	20	17	20	26	25
\$500-\$1,999.....	9	12	10	12	9	3	6	13	12	15	14	8	11	13
\$2,000 and over.....	3	7	4	6	4	(?)	2	4	7	8	7	4	4	6
All units.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100

¹ Liquid asset data for early 1949 are based on interviews in January, February, and early March 1949.

² Includes all types of U. S. Government bonds, savings accounts, and checking accounts.

³ Less than one-half of 1 per cent.

⁴ Valued at 80 per cent of maturity value except for recent purchases, which are valued at purchase price.

⁵ Includes savings accounts in banks, postal savings, and shares in savings and loan associations.